

Message Text

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44

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

SP-02 AID-05 EB-07 NSC-05 CIEP-02 TRSE-00 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01 INR-07

NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04 SIL-01 L-03 H-02

PA-02 PRS-01 ABF-01 FSE-00 PC-05 AGR-10 /115 W

----- 076916

O R 161458Z JUL 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 1882

INFO AMEMBASSY ASUNCION

AMEMBASSY MONTEVIDEO

AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

AMEMBASSY LA PAZ

UNCLAS BUENOS AIRES 4720

PASS TREASURY AND COMMERCE

E. O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: ARGENTINA DEVALUES AGAIN

1. JULY 15 GOA ANNOUNCED NEW DEVALUATION OF PESO, SECOND IN
LESS THAN SIX WEEKS. FINANCIAL RATE MOVED FROM \$30.00
PESOS PER DOLLAR TO \$35.40 PESOS PER DOLLAR (18 PERCENT),
COMMERCIAL RATE RAISED FROM \$26.00 PESOS PER DOLLAR TO
\$28.08 PESOS PER DOLLAR (8 PERCENT), WHILE TOURIST RATE
DEVALUED FROM \$41.00 PESOS PER DOLLAR TO \$50.00 PESOS
PER DOLLAR (22 PERCENT). SPECIAL \$4.00 PESO PER DOLLAR
TOURIST TAX RETAINED BRINGING TOURIST RATE TO \$54.00 PESOS
PER DOLLAR. IN ADDITION, SHIFTS IN NOMINAL RATE, VARIETY OF
PRODUCTS MOVED FROM COMMERCIAL TO FINANCIAL RATE AND TAX
AND SUBSIDY SYSTEM REVISED.

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2. ANNOUNCEMENT OF DEVALUATION MADE BY SECRETARY EXTERNAL
COMMERCE HERNAN ALDABE AND SECRETARY CO-ORDINATION
RICARDO ZINN. ZINN EMPHASIZED MAJOR PURPOSE OF
DEVALUATION WAS TO REVERSE DOWNWARD TREND GROSS RESERVES
AND IMPROVE ARGENTINA'S POSITION TO NEGOTIATE NEW
EXTERNAL CREDITS. ALDABE SAID GOA WOULD CONTINUE ADJUST
EXCHANGE RATE FLEXIBLY IN FUTURE ACCORDING INTERNAL PRICE
INCREASES.

3. ANALYSIS AND REACTION FOLLOW SEPTEL.
HILL

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: DEVALUATIONS, FOREIGN EXCHANGE RATES
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Draft Date: 16 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Margaret P. Grafeld
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EO Systematic Review
06 JUL 2006

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TAGS: EFIN, AR
To: STATE
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